

EXHIBIT G



GOVERNMENT OF PUERTO RICO

Puerto Rico Fiscal Agency and Financial
Advisory Authority

FISCAL PLAN FOR PUERTO RICO

San Juan, Puerto Rico
March 13, 2017



DEBT SUSTAINABILITY

Debt sustainability

The table below summarizes the annual cash flow available for debt service, and calculates implied debt capacity based on a range of interest rates and coverage ratios assuming an illustrative 35 year term

- Cash flow available for debt service incorporates (i) the payment of essential services, (ii) benefit of clawback revenues and (iii) a prudent contingency reserve
- In the Fiscal Plan summarized below, the cash flow after Measures but before Debt Service averages \$787m per year during the period 2017 - 2026

Debt sustainability sensitivity analysis (\$MM)

	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	'17 - '26 Total
Baseline Projections											
Revenues	\$18,952	\$17,511	\$16,407	\$16,434	\$16,494	\$16,590	\$16,746	\$16,953	\$17,204	\$17,509	\$170,799
Expenses	(17,872)	(18,981)	(19,233)	(19,512)	(19,950)	(20,477)	(20,884)	(21,310)	(21,973)	(22,316)	(202,507)
Cash Flow Excl. Debt Service & Measures	1,080	(1,470)	(2,826)	(3,077)	(3,456)	(3,886)	(4,139)	(4,357)	(4,769)	(4,807)	(31,708)
Impact of Measures											
Revenue Measures	--	924	1,381	1,384	1,531	1,633	1,740	1,752	1,766	1,785	13,897
Expense Measures	(262)	951	2,012	2,415	2,983	3,156	3,255	3,619	3,724	3,830	25,683
Total Measures	(262)	1,875	3,393	3,799	4,515	4,789	4,995	5,370	5,491	5,615	39,580
Cash Flow Available for Debt Service	\$818	\$404	\$567	\$722	\$1,059	\$903	\$857	\$1,013	\$722	\$808	\$7,873

Illustrative Sustainable Debt Capacity Sizing Analysis

Sensitivity Analysis: Implied Debt Capacity with 10% Contingency											
Illustrative Cash Flow Available	\$700	\$750	\$800	\$850	\$900	\$950	\$1,000	\$1,050	\$1,100		
Sensitivity Analysis: PV Rate %											
3.50%	\$12,600	\$13,500	\$14,400	\$15,301	\$16,201	\$17,101	\$18,001	\$18,901	\$19,801		
4.00%	11,759	12,599	13,439	14,278	15,118	15,958	16,798	17,638	18,478		
4.50%	11,000	11,786	12,572	13,358	14,143	14,929	15,715	16,501	17,286		
Sensitivity Analysis: Implied Debt Capacity at 4.00% PV Rate											
Illustrative Cash Flow Available	\$700	\$750	\$800	\$850	\$900	\$950	\$1,000	\$1,050	\$1,100		
Sensitivity Analysis: % Contingency											
5.0%	\$12,412	\$13,299	\$14,185	\$15,072	\$15,958	\$16,845	\$17,731	\$18,618	\$19,505		
10.0%	11,759	12,599	13,439	14,278	15,118	15,958	16,798	17,638	18,478		
15.0%	11,105	11,899	12,692	13,485	14,278	15,072	15,865	16,658	17,451		

